

ATTACHMENT 3

DRAFT ENVIRONMENTAL ASSESSMENT

Draft
Environmental Assessment and Finding of
No Significant Environmental Impact

For Amendments to 10 CFR Part 50, Financial Information
For Applications To Renew Or Extend The Term Of An
Operating License For A Power Reactor

This document fulfills the Nuclear Regulatory Commission's (NRC) obligation under 10 CFR Part 51 to examine the environmental impacts of its regulatory actions, in this case regarding a rulemaking addressing NRC's financial information requirements for power reactor licensees. This action amends Section 50.33(f)(2) and adopts a new section, 10 CFR 50.76.

NRC's regulations for implementing Section 102(2) of the National Environmental Policy Act of 1969 (NEPA), as amended, are contained in Subpart A of 10 CFR 51. These regulations require that an environmental impact statement or an environmental assessment be prepared for all licensing and regulatory actions that are not classified as "categorical exclusions" under 10 CFR 51.22(c) and are not identified in 10 CFR 51.22(d) as other actions not requiring environmental review.

NRC has determined that, under Section 102(2) of NEPA, as amended, and NRC's regulations in Subpart A of 10 CFR Part 51, the proposed rule is not a major Federal action significantly affecting the quality of the human environment, and therefore an environmental impact statement is not required. NRC also has determined that the proposed rule does not qualify as a categorical exclusion or other action not requiring environmental review. Consequently, NRC has determined that an environmental assessment is required. This document presents the results of NRC's environmental assessment of the proposed rule and documents its finding of no significant impact.

1. Environmental Assessment

1.1 Identification of the Proposed Action

The proposed action would amend Section 50.33(f)(2) and create a new section, 10 CFR 50.76. The amendment to Section 50.33(f)(2) would remove the requirement for non-electric utility power reactor licensees to submit financial qualifications information with a license renewal application. The amendment to Section 50.33(f)(2) would reduce regulatory burden by eliminating unnecessary submissions of financial qualifications information. Electric utility power reactor licensees already are exempt from submitting financial qualifications information with license renewal applications. Non-power reactor licensees still are required to submit financial qualifications information. Section 50.76 would require electric utility power reactor licensees that transition to non-electric utility status, without a license transfer, to submit financial qualifications information at least 75 days before the licensee ceases to be an electric utility. The amendment to Section 50.76 would provide regulatory clarity by establishing a formal process to review

financial qualifications information when an electric utility makes a transition to non-electric utility status, without a license transfer. Currently 10 CFR 50 is silent on this issue.

1.2 Need for the Proposed Action

The proposed rulemaking is consistent with NRC's performance goals and will most directly impact the goals of making NRC activities and decisions more effective and efficient, while at the same time reducing unnecessary regulatory burden. The rulemaking will help advance these goals by eliminating the need for non-electric utility power reactor licensees to submit financial qualifications information with operating license renewal applications. Section 50.76 also advances these goals by addressing situations when an electric utility power reactor transitions to non-electric utility status without a license transfer, on which the current regulations are silent. The following paragraphs discuss the need for the amendments to Sections 50.33(f)(2) and 50.76 in more detail.

Currently Section 50.33(f)(2) requires non-electric utility power reactor applicants for license renewals to submit financial qualifications information with their applications. NRC has concluded that a concomitant financial review of non-electric utility power reactor applicants for license renewal is unnecessary for the following reasons. NRC's current regulations provide for a review of financial qualifications at several stages during a license, such as at initial license application, license transfer, and at any time NRC determines the licensee's financial health requires a review. Thus the current regulations allow NRC to monitor and evaluate changes in licensees' financial status. In addition, because license renewal is not accompanied by a change in a licensee's financial condition, it does not warrant a financial review. By amending Section 50.33(f)(2) to eliminate the requirement for submission of financial qualifications information from non-electric utility power reactors renewing an operating license, NRC will remove unnecessary burden and treat all power reactor licensees consistently.

Section 50.76 will establish a formal process to review the financial qualifications of electric utility power reactors making a transition to non-electric utility status without a license transfer. NRC's current regulations do not provide for a formal process to review financial qualifications of electric utility power reactor licensees that transition to non-electric utility status in this case. The establishment of a formal review process is important because when an electric utility licensee transitions to non-electric utility status, the licensee will no longer be regulated by a state public utility commission (PUC) or the Federal Energy Regulatory Commission (FERC), both of which establish rates that ensure sufficient funds for safe operations. Non-electric utility power reactor licensees are subject to rates set by the open market. Although NRC is concerned about the impacts of deregulation on its power reactor licensees' financial condition, it has not found a consistent relationship between a licensee's financial health and general indicators of safety.¹ NRC believes that establishing a formal review requirement would enhance public confidence while maintaining regulatory efficiency and effectiveness.

¹ NRC's *Final Policy Statement on the Restructuring and Economic Deregulation of the Electric Utility Industry* discusses its concerns regarding deregulation of power reactor licensees. The policy statement was published in the Federal Register, Vol. 62, No.160, August 19, 1997, page 44071.

1.3 Environmental Impacts of the Proposed Action

The proposed amendment modifies the requirement in Section 50.33(f)(2), for non-electric utilities seeking renewal of operating licenses for nuclear power plants, by removing the requirement for submission of financial qualifications information. This would remove the need for non-electric utilities to submit financial qualifications information with renewal applications for power reactor operating licenses. The proposed action would, therefore, place non-electric utility power reactor licensees on the same footing as electric utility power reactor licensees with respect to the license renewal process. The proposed Section 50.76, adds a requirement for utilities that transition to non-electric utility status to submit financial qualifications information as required under Section 50.33(f)(2) .

NRC has determined that, under NEPA and the Commission's regulations in Subpart A of 10 CFR Part 51, this rule would not be a major Federal action significantly affecting the quality of the human environment. The proposed action is primarily administrative in nature since it concerns the submission of information on financial qualifications. There are no significant radiological environmental impacts associated with the proposed action and it does not involve non-radiological plant effluents. NRC expects no significant environmental impact to result from this proposed rule.

1.4 Environmental Impacts of the Alternatives to the Proposed Action

As an alternative to the proposed action, the staff considered the "no-action" alternative. No action to change the rule would result in no change in current environmental impacts.

1.5 Alternative Use of Resources

This action does not involve the use of any different resources than those previously considered in the original rule dated January 19, 1956.

1.6 Agencies and Persons Consulted

The proposed rulemaking is to be published in the *Federal Register* for all interested parties to review and is being provided to State Liaison Officers. All comments received within the stated time limit will be considered in developing the final rule.

2. Finding of No Significant Impact

On the basis of the environmental assessment, NRC concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, NRC has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the proposed rule dated **XXXX**. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the ADAMS Public Library component on the NRC Web site, <http://www.nrc.gov/reading-rm.html> (the Public Electronic Reading Room). If you do not have access to ADAMS or if there are problems in accessing the documents located in

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